

D. Department of State

(\$ in thousands)	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
International Narcotics Control and Law Enforcement	245,321	460,274	358,820
Andean Counterdrug Initiative	842,450	726,687	731,000
Migration and Refugee Assistance	781,884	755,712	729,789
U.S. Emergency Refugee and Migration Assistance Fund	105,831	29,823	20,000
Nonproliferation, Anti-terrorism, Demining, and Related Programs	332,408	396,415	415,200
Global HIV/AIDS Initiative	-	488,103	1,450,000
Total, Department of State	2,307,894	2,857,014	3,704,809

International Narcotics Control and Law Enforcement (INCLE)

The FY 2005 request includes \$359 million for country and global programs for International Narcotics and Law Enforcement Affairs activities.

Key initiatives under this account include:

Afghanistan (\$90 million) – The request will build on programs stemming from the acceleration of police programs and will include funding police salaries, personnel equipment, communications and training as well as renovating border posts. Funds will support reducing poppy cultivation by providing a drug control capacity, sustainable alternative development, crop control operations, drug awareness/demand reduction programs, and enhance the civilian law enforcement capability in order to apprehend and enforce drug control. These funds will support the justice sector by training judges and prosecutors on basic skills, human rights and criminal procedures. Lastly, funds will enhance the Border Police by providing basic training including establishing and maintaining airport watch lists and interdiction and investigative operations along the boarder, infrastructure and immigration monitoring and control.

Pakistan (\$40 million) - The request will build on supplemental funding with project activities in border security, law enforcement development, and counternarcotics. Funds will sustain the aviation units providing surveillance and intercepting drug-traffickers, terrorists and other criminals operating in remote areas by providing fuel, communications, facilities operations, advisors, and contractor support. Funds will be used to construct border security roads and checkpoints in the Federally Administered Tribal Areas (FATA), and to provide vehicles, communications equipment, and long-range optical devices to support civilian border agencies. Funds will be used to provide training, technical assistance, and equipment to expand investigative skills and forensics capacities, build accountability and internal control structures, enhance police training institutions, develop community policing programs, and improve managerial and leadership expertise. Funds will expand implementation of the Automated Fingerprint Identification System (AFIS) and develop criminal information databases that link federal and provincial law enforcement agencies and improve investigative skills and cooperation. Funds will be used to support crop control operations in areas of new or expanded poppy cultivation and provide demand reduction public awareness programs.

Mexico (\$40 million) – Building on the FY 2002 Supplemental, the request will enhance Mexico’s Border control by installing 10 additional inspection units, automated systems to better document, monitor and

control cargo, vehicles and pedestrians flowing across the border with the United States and at maritime ports. Funds will construct SENTRI lanes at key crossing points complementing lanes on the U.S. side. Training, technical assistance and equipment will enhance law enforcement capabilities in law enforcement, intelligence services and investigative activities including border safety such as emergency response. Funds will support strengthening counternarcotics, organized crime enforcement, criminal justice and law enforcement institutions and operations by providing training, technical assistance and equipment to help in drug seizures and arrests, enforcement, investigative, prosecutorial and judicial activities. Professionalization and anti-corruption will also be a focus of these funds to help modernize facilities, provide systems management capabilities including a national criminal database. Funding will be specifically directed to enhance the Mexican Attorney General's internal affairs in order to investigate, combat and deter corruption through training and technical advisement, and will support seminars and exchanges to enhance judiciary ability to bring criminal organizations to justice. These funds will also enhance the treasury ministry and banking industry by providing training, computers and analytical support on money-laundering activities, particularly from the drug trade. We will help these agencies developing techniques in pursuing asset forfeiture and managing seized/forfeited assets through training in legal forfeiture, asset management, accountability and implementing anti-corruption measures. Lastly, with the increasing drug abuse in Mexico, funds will help the National Council on Addictions in conducting epidemiology surveillance and establishing entities in drug abuse awareness, prevention, treatment and rehabilitation as well as promoting alternative economic development in drug producing regions.

Africa (\$10.5 million) - In Africa, funds will be used to reestablish a national police force in Liberia focusing on establishing a modern training capacity at the police academy, providing technical assistance on organizational structure and provide equipment and training for personnel, communications and management systems. Funds will also support programs in Niger, South Africa and throughout the region providing training, equipment and technical assistance for police and judicial reform and modernization, law enforcement enhancement, investigative and prosecutorial capabilities on financial crimes, assistance in border security development and enhancing correction systems to expand and/or further develop rehabilitation capacities.

East Asia and Pacific (\$16 million) – A new program for the INCLE account in FY 2005 supports the ongoing police assistance program, formerly funded by ESF, to advance the transformation of the Indonesian National Police from a military to civilian police agency. We will continue a program initially funded under ESF to support developing an efficient and effective marine police organization to protect and defend the Indonesian borders and waterways. Funds will provide instruction and equipment for the police training academies and forensic labs, as well as investigative skills training and criminal justice system reform. In Laos, the request will support crop control programs, including road construction to provide access to markets and government services, and construction treatment clinics as well as provide training and exchange programs to improve Lao counternarcotics law enforcement capabilities. In the Philippines, we will continue programs providing equipment and technical assistance geared towards law enforcement, judicial reform and forensic documentation procedures, including implementing an automated fingerprint identification system. Funds will also support a resident legal advisor to assist in reforming Philippine legal and criminal justice systems and building the capacity to prosecute effectively narcotics and related criminal cases. Lastly, the funds will provide training, technical assistance, and equipment in Thailand to enhance institutional capabilities for more effective investigations of major drug trafficking and other criminal organizations; support criminal code reform; and continue opium poppy crop control programs.

Near East (\$6 million) – A new focus for the FY 2005 budget includes funding for Morocco to assist in border control, community policing and civil order. Funds will provide equipment, technical assistance and training to help Morocco's problems with illegal migration, human smuggling, narcotics production and trafficking.

Other Western Hemisphere (\$8.57 million) – Funding will be directed toward our continued efforts in improving the interdiction capabilities of key drug transit countries in Central America, the Caribbean as well as South American countries (non-Andes) by: modernizing enforcement, investigative, judicial and prosecutorial capabilities to battle corruption, money laundering and drug trafficking; upgrade intelligence gathering and sharing to improve the flow of tactical and operational intelligence; and modernize justice sector institutions and legal framework by providing training, technical assistance, equipment and operational support. Additional emphasis will be placed on demand reduction public awareness programs by way of seminars, conferences, administrative equipment (computers, software, etc) and education materials.

Global Programs – The request also provides \$147.75 million for global programs to counter transnational crime, key post 9/11 law enforcement challenges, and broader counternarcotics challenges. Specific components include:

- *Anticorruption Compacts* (\$9 million) – A new initiative to fight corruption by strengthening political will, requiring recipient countries to commit in writing to reform in areas of fiscal transparency, public procurement, enforcement and civil society participation. This is the first year of a program where funds will be used for training, equipment and technology to help a country in each geographical region establish fiscal transparency and accountability systems, rules-based public procurement systems, effective enforcement and oversight institutions and free and active civil society anti-corruption efforts.
- *Anti-Crime Programs* (\$10 million) – Funds will support our efforts in international and regional organizations by providing voluntary contributions and supporting the new Middle East and North Africa anticorruption initiative. In addition, we will continue efforts to stem financial crimes and money laundering by providing contributions to the 33-member Financial Action Task Force (FATF) and FATF-style bodies, technical advisors and training in Central America, Caribbean and Pacific Islands; and help non-cooperating countries and territories (NCCT) bring laws and regulations to these jurisdictions into international standards. Funds will also support our Migrant Smuggling and Trafficking in Persons Coordination Center by funding administrative costs of the Center. We will also help vulnerable countries to upgrade their border control systems, including providing technical assistance to help them improve travel document issuance systems and customs controls. Lastly, these funds will help stem the theft of intellectual property and promote cyber security by providing training, technical assistance and resident legal advisors to assist with capacity-building, including by modernizing laws and institutions.
- *Asia Regional program* (\$1 million) – Funds will support Burma, East Timor, Bangladesh, Nepal and Sri Lanka fight transnational crime and narco-trafficking threats. Particular focus will be on supporting alternative crop cultivation in Burma, continuing police infrastructure development including training in East Timor, providing a police advisor in Bangladesh, enhancing customs and law enforcement capabilities in Nepal and improving Sri Lanka's investigative and management capacity through a train-the-trainer program.
- *Civilian Police Program (CIVPOL)* (\$2.7 million) – This request will be used to continue to develop the capacity of the U.S. to increase the cadre of experienced law enforcement personnel available for immediate overseas assignment in post-conflict location for short notice deployments. Funds will provide for the U.S. contractor responsible for maintaining the existing U.S. police cadre, equipment, training and logistics of the cadre as well as program support to oversee the efforts of the contractor.
- *Demand Reduction* (\$4.2 million) – The request provides funding for international demand reduction programs that address Presidential priorities to augment prevention, intervention and recovery

maintenance services. Funds will support developing an International Community Anti-Drug Institute to provide training and technical assistance for community groups, develop a Muslim-based anti-drug program/civil society organizations in the Middle East and South and Southeast Asia, continue development/evaluation of research-based prevention and treatment programs, establish an international outreach program to educate international communities about U.S. policies, programs, success, etc., and support regional and bilateral drug awareness programs by providing technical assistance and advisors on creating media campaigns, treatment programs, and training for demand reduction providers.

- International Law Enforcement Academy (ILEA) (\$14.5 million) – The request will fund academies in Hungary, Thailand, Botswana, Roswell, NM and Latin America and provide administrative support and life cycle equipment replacement for all academies.
- International Organizations (\$12 million) – Funds will support contributions to the UN Office on Drugs and Crime projects and the Inter-American Drug Abuse Control Commission (OAS/CICAD) for efforts to obtain ratification and implementation of the Convention Against Corruption. It is anticipated that these funds will focus on: programs against money laundering; precursor chemical control; drug eradication and alternative development in East Asia; law enforcement institutional support in Central Asia and Afghanistan; judicial training and port security training in Sub-Saharan Africa; and, provide legal advisors to ensure parties to the international drug conventions have adequate laws and capacity to enforce the treaties.
- Interregional Aviation Support (\$70 million) – Funds will provide core services including logistics, contractor support, spare parts, and Air Wing costs associated with operations centered at Patrick Air Force Base, necessary to operate a fleet of 164 fixed- and rotary-wing aircraft supporting counternarcotics aviation programs in Colombia, Bolivia, and Peru, border security operations in Pakistan, and, as required, programs at other temporary deployment locations.
- Program Development and Support (\$13.85 million) – These funds will provide for the administrative expenses to carryout the International Narcotics and Law Enforcement programs.
- System Support and Upgrades (\$ 4.5 million) – Funds will support sustaining sensor packages in Barbados, Trinidad and Tobago, Mexico and Colombia, for maritime surveillance and intelligence collection programs as well as provide contractor logistical support and training to these programs. Funds will also help build infrastructure in these countries for eventual nationalizing these programs.
- Trafficking in Persons (\$5 million) – Funds will target countries in Tiers 2 and 3 of the Trafficking in Persons Report, as well as other countries or regions where there are trafficking problems. Funds will support investigative and prosecutorial capacity building, strengthen law enforcement and civil society collaboration, victim protection initiatives, developing anti-trafficking legislation, promoting regional and cross-border partnerships and support research to determine long-term and sustainable strategies.
- United Nations Crime Center (\$1 million) – Funds will be used to continue implementation of the UN Convention Against Transnational Organized Crime and its protocols by providing technical mentoring/assistance to member states to bring laws, regulations and enforcement capabilities up to standards codified by the Convention. Funds will be used in similar fashion to support ratifying the Convention Against Corruption.

Andean Counterdrug Initiative (ACI)

The FY 2005 \$731 million request will be used to continue the multi-year counterdrug program (ACI) that aims to reduce the flow of drugs to the United States and prevent instability in the Andean region.

Bolivia (\$91 million) – The request will support Bolivian efforts to reduce the growth and export of coca in Bolivia, increase interdiction of essential chemicals and cocaine products, foster alternative economic development, increase successful prosecutions of narcotics related cases, and improve the quality of investigations into alleged human rights violations. To achieve these goals, the request will continue ground and air interdiction operations, eradication operations and drug awareness, demand reduction and alternative development programs. The drug control programs in Bolivia focus on: support and maintenance of a network of interdiction bases; a national secure communications grid; and additional personnel to control coca production, enhance interdiction efforts and provide intelligence support for the growing number and increased complexity of operations and investigations. Funds will assist Bolivia and its efforts towards self-sufficiency, particularly in police counterdrug operations and will also support military, eradication, anti-corruption and border security operations, law enforcement development, controlled substance prosecutors, drug awareness and demand reduction programs, field support and infrastructure as well as assistance to the Bolivian “Drug Czar’s” office. Additionally, alternative development and institution building funds will focus on key areas of farming, public health, micro and macro economics and entrepreneurial activities, municipal government capabilities and Administration of Justice programs by providing training and technical assistance in these areas.

Colombia (\$463 million) – The Colombia funds will continue to support our unified campaign against drug trafficking and narco-terrorists. Funds will maintain support to the Colombian Army’s aviation program and drug units with training, logistics support, operating expenses, equipment, and upgrades to forward operating locations. These funds will similarly maintain support for the Colombian National Police in the areas of aviation, eradication and interdiction by providing equipment, logistical support, training, new base construction, upgrades of security equipment, interoperable communications and information links, and basic administrative support. Alternative Development programs will increase legaleconomic opportunities by promoting social and economic development by introducing new licit crops, supporting agribusiness and forestry activities and developing local and international markets for these new products. Funds will also support vulnerable groups, democracy, the rule of law, judicial reform, drug awareness and demand reduction, and a culture of lawfulness by providing training, equipment, education, technical assistance and advisors in these areas. Lastly, funds will help the Bureau of Alcohol, Tobacco and Firearms provide equipment, training and database support to additional bomb squads to help stem further terrorist bombings in Colombia.

Peru (\$112 million) – The FY 2005 funds will support continued eradication of illicit coca and opium poppy and law enforcement interdiction efforts (training and equipment) against the trafficking organizations, with airlift operations using the current INL owned fleet of assets. Funds will maintain the aviation program by providing continued operations and maintenance support such as fuel, spares, etc. Other programs where funds will be focused include research on current legal coca cultivation (to better determine illegal cultivation), demand reduction and public relations, and money laundering programs by providing training and technical assistance. Alternative development and institution building programs will continue by helping to rehabilitate roads, bridges, general social infrastructure such as schools and health care systems, land reform, agro-business and such, all to help local governments build and sustain infrastructure against the spread of economic activities linked to narcotics trafficking.

Brazil, Ecuador, Venezuela and Panama (\$44 million) – The request for interdiction and eradication efforts in the key transshipment countries of Brazil, Ecuador, Venezuela and Panama will continue to focus on improving police and military operations including air, ground and water capabilities by providing training

and equipment and upgrading critical facilities. Funds will be used to train law enforcement units to improve drug detection, seizure and mobile inspection capabilities; and enhance money laundering and chemical investigation efforts. In addition, training and equipment will be provided to enhance judicial and prosecutorial effectiveness and port and border point of entry security programs.

Airbridge Denial Program (\$21 million) – Funds in this program will provide continued contractor logistical support, operational sustainment and continuous training for the Colombian Airbridge program. Funds will also provide infrastructure support, communications equipment and aircraft upgrades including support at forward operating bases, upgrades to fix-winged aircraft to include enhanced sensor capabilities, and communications links with satellite and forward locations. Funds will also support efforts to develop the infrastructure for a planned anti-narcotics coordination center in Peru to facilitate air, ground, and water-based endgames against trafficking targets.

Migration and Refugee Assistance (MRA)

The FY 2005 request of \$729.8 million provides the resources necessary to respond to the projected humanitarian needs of refugees and conflict victims worldwide. Funding will be provided to international organizations such as the UN High Commissioner for Refugees (UNHCR), the International Organization for Migration (IOM), the International Committee of the Red Cross (ICRC), and the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), as well as to non-governmental organizations resettling refugees in the United States and filling critical gaps in the international community's multilateral response to humanitarian needs overseas. These funds support programs to: protect refugees and conflict victims; meet basic needs to sustain life and health; resolve refugee problems through voluntary repatriation, local integration, or permanent resettlement in a third country, including the United States; and foster the humane and effective management of international migration flows.

- Administrative Expenses (\$19.5 million). The FY 2005 request includes funding for two positions in Kabul and one in the Balkans (currently funded under the Emergency Refugee and Migration Assistance Fund), as well as mandatory increases for staff salary and benefits costs and projected price increases.
- Overseas Assistance (\$524.5 million). This request will support the protection of refugees and conflict victims, the provision of basic needs to sustain their life and health, and the resolution of refugee problems through durable solutions. The request includes funding to support internally displaced persons (IDPs) in Colombia and the Newly Independent States, programs previously funded through the Andean Counterdrug Initiative and FREEDOM Support Act accounts.
- Humanitarian Migrants to Israel (\$50 million). The request for funds to assist in the resettlement of Jewish humanitarian migrants in Israel is \$50 million, the same amount likely to be appropriated in FY 2004, prior to the rescission.
- Refugee Admissions (\$135.75 million). The FY 2005 request maintains a strong refugee admissions program and ensures that adequate reception services are available to refugees upon arrival in the United States.

U.S. Emergency Refugee and Migration Assistance Fund (ERMA)

A request of \$20 million in FY 2005 will ensure readiness to respond to future urgent and unexpected humanitarian needs.

Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)

The Nonproliferation, Anti-terrorism, Demining, and Related Programs account provides resources to support critical security and humanitarian-related foreign policy objectives. The FY 2005 request for this account totals \$415.2 million:

(\$ in thousands)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Nonproliferation Programs			
Nonproliferation and Disarmament Fund	14,902	29,823	34,500
Export Control and Related Border Security Assistance	36,000	35,788	38,000
Science Centers/Bio Redirection	52,000	50,202	-
IAEA Voluntary Contribution	52,900	52,687	53,000
CTBT International Monitoring System	14,000	18,888	19,000
KEDO	4,968	-	-
Nonproliferation of WMD Expertise	-	-	50,500
Subtotal - Nonproliferation Programs	174,770	187,388	195,000
Anti-Terrorism Programs			
Anti-terrorism Assistance	65,638	96,428	128,300
Anti-terrorism Assistance - ERF	-	10,000	-
Anti-terrorism Assistance - SUP	25,000	35,000	-
Counterterrorism Financing	-	-	7,500
Terrorist Interdiction Program	5,000	4,971	5,000
CT Engagement w/Allies	-	-	500
Subtotal - Anti-Terrorism Programs	95,638	146,399	141,300
Regional Stability & Humanitarian Assistance			
Humanitarian Demining Program	46,000	49,705	59,900
Humanitarian Demining Program - SUP	3,000	-	-
International Trust Fund	10,000	9,941	10,000
Small Arms/Light Weapons Destruction	3,000	2,982	9,000
Subtotal - Regional Stability & Humanitarian Assistance	62,000	62,628	78,900
Total	332,408	396,415	415,200

- \$34.5 million for the Nonproliferation and Disarmament Fund (NDF) to support core NDF activities as well as the Dangerous Materials Initiative (DMI), an effort to inventory, secure, and remove dangerous materials from insecure locations worldwide. As part of DMI, NDF funds will expand Tracker and other automated export control systems to better handle biological, chemical and radiological materials. DMI activities also will include a worldwide fissile materials protection initiative and assistance to foreign governments in developing laws, regulations and capabilities to secure and inventory biological materials.

- \$38 million for global Export Control and Related Border Security Assistance (EXBS) program, which is designed to help prevent the proliferation of weapons of mass destruction, their missile delivery systems, and advanced conventional weapons. Funds provide training, equipment, and services to establish or enhance export control systems and border control capabilities to mitigate the illegal transit of prohibited material, as well as to prevent transfers of strategic trade items to end-users and end-users of proliferation concern, including rogue states and terrorist networks. The FY 2005 program targets potential proliferation source and transit states in Eurasia, while stepping up efforts in potential source countries in South Asia and key transit and transshipment states in Southeastern Europe, as well as countries with major transshipment ports in the Mediterranean, Middle East and Southeast Asia. Funds will also support the provision of enforcement and detection equipment to the Baltics as part of our strategy to make these states self-sustaining. In addition, the EXBS program will continue to adapt its assistance efforts to help address the proliferation threat posed by radiologic al devices and Man-Portable Air Defense Systems (MANPADS).
- \$50.5 million for Nonproliferation of WMD Expertise, a global effort which currently funds three programs: Science Centers, Bio-Chem Redirection and the BioIndustry Initiative.
 - Funding for the Science Centers finances civilian research by former Soviet weapons experts as an alternative to providing their weapons of mass destruction expertise to terrorist networks or proliferant states. The FY 2005 program supports projects and activities in 10 countries with one more state (Moldova) expected to join in 2004. The program continues to fund activities that seek to transition the scientists to self-sustaining civilian careers.
 - Funding for the Biological and Chemical Redirection program supports a targeted initiative to prevent the spread of biological and chemical weapons (BW and CW) expertise by providing former Soviet BW and CW scientists opportunities to conduct other research and development in areas such as public health, agriculture, and environment. The funds also support U.S. efforts to counter chemical and biological terrorism. Funds support activities carried out by DHHS, EPA, and USDA, which are coordinated by an interagency working group to ensure that appropriate monitoring and oversight provisions are in place for funded projects.
 - The BioIndustry Initiative (BII), which began in FY 2002, is the only U.S. program to reconfigure large-scale Soviet BW production facilities for civilian biotechnology purposes. Via BII, the U.S. in 2003 gained first-ever access to ten previously closed Soviet BW production facilities and is engaging them in projects. Also, as mandated by Congress, BII focuses on accelerated drug and vaccine development to combat highly-infectious diseases, which makes the program an important element of U.S.-Russian efforts to combat bioterrorism.
- \$53 million for voluntary contributions to the International Atomic Energy Agency (IAEA) to support expanded programs in nuclear safeguards and security. Safeguards funding will support strengthened nuclear verification measures to detect covert nuclear activities and help replace outdated equipment. Nuclear security funds will help counter threats of nuclear terrorism through training and other assistance to states on physical protection, countering nuclear smuggling and improving controls on radioactive materials that could be used for dirty bombs.
- \$19 million for the Comprehensive Nuclear Test Ban Treaty (CTBT) Preparatory Commission to pay the U.S. share for the ongoing development and implementation of the international monitoring system (IMS), which supplements U.S. capabilities to detect nuclear explosions. Since the United States does not seek ratification and entry-into-force of the CTBT, none of the funds will support Preparatory Commission activities that are not related to the IMS.

- \$128.3 million for the Anti-Terrorism Assistance (ATA) program to support the global campaign against terrorism by providing training and equipment to coalition partners. Funds will support the expanded core of ATA programs, including the Weapons of Mass Destruction Preparedness Program's "first responders" training, and also provides for development of new courses to respond to shifting requirements emanating from the evolving terrorist threat. In addition, the FY 2005 request supports increased training for the Middle East, Central and East Asia, and follow on funding for special programs in Afghanistan, Pakistan, Indonesia, Kenya and Colombia. The request funds the Mobile Anti-terrorism Training Team component to facilitate implementation of in-country ATA training for priority, short-notice requirements. Lastly, the request provides funding to support activities at a new regional training center established by the Government of Malaysia.
- \$7.5 million for Counterterrorism Financing to assist foreign countries' efforts to identify, freeze, and prevent the use of financial institutions, businesses, and charitable organizations as conduits for money to terrorist organizations.
- \$5 million for the Terrorist Interdiction Program to support a multi-pronged border security program designed to assist selected vulnerable countries in stopping terrorists from crossing their borders or using their territory as transit points or staging areas for attacks. Funds will support up to five installations of an integrated personal identification database system and associated training with a focus on countries in East and North Africa, the Middle East, and East Asia.
- \$500,000 for Counterterrorism Engagement with Allies supports funding for bilateral and multilateral CT engagement activities to bring together senior officials from key regions of the world to open channels of communication and cooperation on CT issues.
- \$59.9 million for the Humanitarian Demining program, which supports a wide range of humanitarian mine action (HMA) initiatives. The program emphasizes landmine and unexploded ordnance (UXO) clearance, landmine surveys, and landmine/UXO awareness. In addition, some funds are provided for training and special projects that indirectly benefit mine-affected nations. The FY 2005 increase will initiate, sustain, or expand U.S. HMA efforts in some twenty countries across the globe. These efforts protect the victims of war, alleviate adverse humanitarian and economic impacts, and serve as an engagement tool to further efforts to promote regional stability.
- \$10 million to support the International Trust Fund (ITF) for Demining and Mine Victims' Assistance. As with previous funding, this \$10 million will be used to match dollar-for-dollar contributions from other international donors to conduct a broad range of mine action initiatives.
- \$9 million to support the Small Arms/Light Weapons Destruction initiative, designed to eliminate stockpiles of excess small arms and light weapons left over from Cold War and post-Cold War conflicts, particularly in Eastern Europe, Central Asia, Africa and Latin America. Destruction of these weapons contributes to U.S. force protection and regional security efforts by helping prevent the spread of illicit weapons to insurgent groups and terrorist organizations. The FY 2005 program will focus on destruction of shoulder-launched surface-to-air missiles, or MANPADS, that increasingly have been sought after and used by terrorist groups in Kenya, Iraq, and elsewhere.

Global HIV/AIDS Initiative

In his State of the Union Address on January 28, 2003, President Bush called for a new Initiative, the Emergency Plan for AIDS Relief, to enhance the commitment of the United States to preventing the global spread of HIV/AIDS and to developing and delivering more effective treatments to millions of people overseas already infected and threatened with HIV infection.

In response to President Bush's proposal, the Congress took quick action by passing the "United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003" and the Senate confirmed the Honorable Randall L. Tobias as the U.S. Global AIDS Coordinator.

The "United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003" provides a very powerful framework to organize and finance the Emergency Plan for AIDS Relief. It champions an integrated approach that will make the best possible use of the various USG entities that are engaged in fighting the AIDS pandemic internationally. It also authorizes a level of funding that can make a real difference in turning back the pandemic. The Office of the AIDS Coordinator will oversee more than \$2.8 billion in requested funds to combat HIV/AIDS, including \$1.45 billion in the Global HIV/AIDS Initiative account.

The Global AIDS Coordinator reports directly to the Secretary of State and leads the U.S. Government's worldwide effort against HIV/AIDS. The Coordinator oversees and coordinates all U.S. Government HIV/AIDS programs in more than 75 countries, including the rapid expansion of comprehensive and integrated prevention, care and treatment programs in selected "focus countries." The Emergency Plan for AIDS Relief has specific goals in the focus countries:

- to prevent 7 million new infections (60 percent of the projected new infections in the target countries); the Emergency Plan will provide large scale prevention efforts, including voluntary testing and counseling;
- to treat 2 million HIV-infected individuals with antiretroviral therapy; capitalizing on recent advances in antiretroviral treatment (ARV) the Emergency Plan will provide advanced ARV treatment on a large scale in the poorest, most afflicted countries. The availability of treatment will also enhance prevention efforts by providing an incentive for individuals to be tested; and
- to care for 10 million HIV-infected individuals; providing a range of care, including support for AIDS orphans and vulnerable children.

Fourteen focus countries have been identified. They are: Botswana, Cote d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, and Zambia. Language in the Consolidated Appropriations Bill for 2004 requires that a fifteenth country from outside of Africa and the Caribbean be added to the list of focus countries, and such a country will be selected as soon as there is a final appropriation with final language on the subject.

The President's Emergency Plan provides \$15 billion over five years. This includes some \$10 billion in new funding, of which \$1 billion is for U.S. contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria, currently funded through USAID and HHS. The other \$5 billion is for existing bilateral programs. The funding will be ramped up over five years as the focus countries build the necessary human capital and infrastructure needed to ensure long-term success and accountability.

As of World AIDS Day, December 1, 2003, the U.S. Government had announced new competitive procurements to expand successful programs rapidly, in particular community-based and faith based

programs, to prevent HIV infection through abstinence and being faithful; to establish safe blood and safe medical injections; to care for orphans and vulnerable children; and to care for and provide antiretroviral therapy to those in need.

The pace of implementation will continue to accelerate during fiscal year 2004. An overall five-year HIV/AIDS strategy will be completed in February 2004. The Coordinator has asked that detailed fiscal year 2004 country implementation plans for the focus countries be in place by April 16, 2004. The Coordinator has also asked that multi-year plans be completed for these countries by September 30, 2004. These multi-year plans will describe the expected large scale program expansions and be the basis for allocating FY 2005 funding among the 15 focus countries.

This year's request will provide the additional resources necessary to increase host country infrastructure and expand human capacity significantly so that treatment, care and prevention activities will reach many more people. A wide-range of partners will help implement activities under the Emergency Plan, including faith- and community-based organizations, other non-governmental organizations, and public-private partnerships. Funding will support:

- **Treatment:** Treatment activities will expand very rapidly, but from a very low base. In Africa, it is currently estimated that of the four million people who have a sufficiently advanced stage of AIDS to warrant ARV treatment, only 50,000 are receiving it.
- **Prevention:** Prevention activities will encourage behavior change and follow the “ABC” model - Abstinence, Be faithful, or correctly and consistently use Condoms, in that priority order based on the individual’s situation. Uganda has provided the model for success using the ABC approach and adaptation of that success of Uganda to local circumstances throughout the focus countries will be strongly encouraged. Prevention activities related to health care practices must also be pursued. Programs to ensure the safety of the blood supply and to promote safe medical injections are important aspects of health care and to preventing the spread of HIV/AIDS and other infectious diseases such as hepatitis.
- **Care for those who are infected:** Care activities will include care for HIV-infected persons who do not require antiretroviral therapy but who need disease management or end-of life care .
- **Care for orphans and vulnerable children:** Care also includes the support of those affected by HIV/AIDS, in particular, orphans and vulnerable children who may or may not be infected with HIV. Support for orphans and vulnerable children is aimed at improving the lives of children and families affected by HIV/AIDS.
- **Administration:** This request includes funding for the administrative expenses of the Global AIDS Coordinator of \$8,818,000. This is a modest increase due to inflation, having a full complement of staff on board, and increased travel for oversight.

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E. Department of the Treasury

(\$ in thousands)	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Treasury Technical Assistance	12,980	18,888	17,500
Debt Restructuring	-	94,440	200,000
Total, Department of the Treasury	12,980	113,328	217,500

Treasury Technical Assistance

The FY 2005 request for Treasury International Affairs Technical Assistance is \$17.5 million.

The program provides financial advisors to countries seeking assistance in implementing significant economic reforms, especially during crucial periods of transition to market-based economies. The program supports economic policy and financial management reforms, focusing on the functional areas of budget, taxation, government debt, financial institutions, and financial crimes law enforcement.

In FY 2005, \$8.5 million of the request will be used by Treasury Technical Assistance to fund resident and short-term advisor projects to countries combating terrorist finance activity. A large portion of the request will be used for assistance programs in sub-Saharan Africa, supporting economic and financial reforms in countries receiving HIPC debt relief, and other areas of emphasis.

Debt Restructuring

The FY 2005 request provides an additional \$75 million for the Heavily Indebted Poor Countries (HIPC) Trust Fund. These funds will complete the U.S. pledge of \$150 million made following the President's commitment at the G-8 Summit in Kananaskis, Canada, to contribute the United States' share of filling the projected HIPC Trust Fund financing gap. In addition, the request provides \$105 million to fund a portion of the U.S. bilateral debt reduction costs for the Democratic Republic of the Congo under the HIPC initiative. The request also provides \$20 million for the Treasury Debt Restructuring account for debt-for-tropical forest programs under the Tropical Forest Conservation Act (TFCA).

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F. Complex Foreign Contingencies

(\$ in thousands)	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
U.S. Emergency Fund for Complex Foreign Crises	-	-	100,000
Total, Complex Foreign Contingencies	-	-	100,000

Complex Foreign Contingencies

This funding is requested to allow the President to respond quickly and effectively to or prevent unforeseen complex foreign crises by providing resources that can be drawn upon at the onset of a crisis. Similar to FY 2004 emergency supplemental funding provided for Liberia and Sudan, these funds will be used to finance a range of foreign assistance activities, including support for peace and humanitarian operations to prevent or respond to foreign territorial disputes, armed ethnic and civil conflicts that pose threats to regional and international peace, and acts of ethnic cleansing, mass killing or genocide.

These funds will not be used to provide assistance in response to natural disasters because existing contingency funding is available for that purpose. Use of this appropriation will require a determination by the President that a complex emergency exists and that it is in the national interest to furnish assistance in response.

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III. Military Assistance

(\$ in thousands)	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
International Military Education and Training	79,480	91,159	89,730
Foreign Military Financing	5,991,632	4,632,665	4,957,500
Peacekeeping Operations	214,252	124,458	104,000
Total, Military Assistance	6,285,364	4,848,282	5,151,230

International Military Education and Training (IMET)

IMET's traditional purpose of promoting more professional militaries around the world through training and education has taken on greater importance as an effective means to strengthen military alliances and the international coalition against terrorism. IMET has made these militaries more efficient, effective and reflective of U.S. values and has improved interoperability with U.S., NATO and regional coalitions.

Recipients of IMET training include foreign military personnel and civilian government and NGO personnel whose participation contributes to improved civil-military relations, civilian control of the military and human rights.

The FY 2005 request for IMET is \$89.7 million. Country increases over FY 2004 levels reflect the U.S. policy interest in building military alliances and capabilities in the international coalition against terrorism.

Africa – \$10.775 million, including \$3.125 million for Nigeria, Senegal, Ghana and Kenya – major contributors to peacekeeping operations on the continent and beyond.

East Asia and the Pacific – \$9.545 million, including \$6.6 million for key programs in the Philippines, Malaysia and Thailand.

Europe and Eurasia – \$32.72 million for new NATO members, NATO invitees, partners, as well as other nations in the region to promote regional security and integration among U.S., NATO, European and Eurasian armed forces.

Near East – \$12.375 million, including \$10.15 million to sustain major programs in Jordan, Morocco, Tunisia, Egypt, Oman and Yemen.

South Asia – \$6.425 million, including \$3.4 million for programs in Pakistan and India and \$800,000 to maintain Afghan National Army (ANA) IMET training.

Western Hemisphere – \$14.39 million, including \$1.7 million for Colombia and \$6.15 million for key programs in El Salvador, Mexico, Argentina, Dominican Republic and Honduras.

Foreign Military Financing (FMF)

The FY 2005 request for FMF is \$4.9075 billion. The total reflects increases in funding for major programs in Afghanistan and Pakistan while sustaining other key programs. FY 2005 FMF will also support front-line states critical to the Global War on Terrorism (GWOT), new NATO nations and NATO invitees, and other key countries active in the War on Terrorism such as Colombia.

The FMF program is a key element of coalition building, critical to enhancing the capabilities of friends and allies on whom we depend in multilateral coalitions and operations.

Near East – \$3.816 billion, including \$2.22 billion for Israel, an increase of \$60 million consistent with the agreement to increase FMF and decrease Economic Support Funds (ESF) for Israel; \$1.3 billion for Egypt to fund programs which promote a modern, well-trained Egyptian military; \$206 million to support Jordan's force modernization, border surveillance and counter-terrorism efforts; \$25 million to enhance Oman's capability to monitor land, sea and air borders and improve interoperability with U.S. forces; \$20 million to upgrade Bahrain's military capabilities pivotal to operations; \$20 million to enhance Morocco's capacity to patrol its northern coast and the Strait of Gibraltar; \$15 million to improve Yemen's ability to uproot the al-Qaeda presence in Yemen and safeguard its borders and territorial waters; and \$10 million to support Tunisia's efforts to secure its porous borders from terrorist threats.

Europe and Eurasia – \$217.2 million to fund ongoing efforts to incorporate the most recent NATO members into the Alliance and support prospective NATO members preparing for accession while simultaneously having forces deployed in Iraq and elsewhere. Funds will also support Partnership for Peace countries in Central Europe, the Caucasus and Central Asia to pursue defense reform and the continued implementation of Membership, Partnership and Individual country Action Plan goals. Major items include \$34 million to promote Turkish Armed Forces modernization and increase the interoperability of Turkish equipment and procedures; \$66 million to help reform Poland's military forces while advancing professionalization, modernization and interoperability; and \$41.5 million for Bulgaria, Romania, Slovenia, Slovakia and the Baltic countries to enhance their military's capabilities in line with their impending NATO accession.

East Asia and the Pacific – \$32 million, including \$30 million for the Philippines, a steadfast ally in the war on terrorism, to continue the long-term, multi-year plan for modernizing and reforming the Philippine Armed Forces as well as to reinforce the armed forces' counter-terrorism training instituted after 9/11; \$1 million for East Timor to ensure the establishment of an appropriately-equipped defense force through purchase of non-lethal, basic soldier equipment; \$500,000 to support Thailand's special operations units, which are the Thai military's primary counter-terrorism assets; and \$500,000 to sustain Mongolia's successful border communications project as part of a multi-year effort to improve its border defense capabilities.

South Asia – \$701.5 million, including \$400 million to sustain the U.S. commitment to train and equip the Afghan National Army (ANA) in order to enable Afghanistan to maintain its own security and prevent the country from again becoming a terrorist haven; \$300 million for Pakistan, critical to ongoing Operation Enduring Freedom efforts, to provide equipment to help Pakistan's Armed Forces interdict and apprehend terrorists and prevent illegal cross-border movements; \$1 million to support Nepalese armed forces' efforts to combat a Maoist insurgency; and \$500,000 to enhance the Sri Lankan armed forces' capability to counter regional, international and internal security terrorist threats and to bolster interoperability with U.S. forces.

Western Hemisphere – \$126.5 million to ensure that regional militaries are equipped and professionally trained to support counter-terrorism activities relating to border control, participate in coalition and peacekeeping operations, and exert effective authority over their national territory. The major area of funding consists of \$108 million for Colombia, located at the center of the hemisphere's narcotics and terrorism threat, to provide operational support and specialized equipment to the Colombian armed forces, focusing on specialized and mobile units of the Colombian Army as well as units assigned to protect the Cano Limon oil pipeline, a key portion of Colombia's economic infrastructure. Other programs include \$3 million to assist the Bolivian army, military police and security units to support the democratically elected Bolivian government against threats of violence and to fund counterterrorism and counternarcotics

operations; \$6.250 million to promote El Salvadoran, Honduran, Nicaraguan, and Dominican Republic armed forces modernization and upgrade maritime interdiction capabilities; \$2 million to improve the Ecuadorian armed forces' readiness, mobility and communications capability in order to prevent spillover of narcotics production and related crime, violence and terrorism; and \$1.35 million for six island states in the Eastern Caribbean to sustain and enhance regional mechanisms and systems related to maritime interdiction.

Africa – \$22 million for key African countries to bolster counterterrorism capabilities, improve peacekeeping capacity, enhance border and maritime control and strengthen regional stability. Major items include \$7 million to help Kenya thwart the terrorist threat from Somalia and bolster its substantial commitment to regional security and international peacekeeping through provision of equipment and support for air base operations; \$4 million to fund the African Coastal and Border Security program, which seeks to provide new and follow-on assistance to several key African partners to develop means to control Africa's territorial waters and borders; and \$4 million for Djibouti to provide equipment and training to help protect its borders and waters from terrorist activity.

Global – \$42.3 million, including \$1.8 million for Enhanced International Peacekeeping Capabilities, which provides assistance to key countries to improve their peacekeeping capabilities, thus creating a bigger pool of potential peacekeepers and reducing the likelihood and expense of future U.S. involvement in peacekeeping operations, while helping to ensure that the U.S. has effective coalition partners when national interests dictate involvement; and \$40.5 million for FMF administrative costs.

Peacekeeping Operations (PKO)

The Administration is requesting \$104 million for PKO in FY 2005.

PKO funds are designed to advance international support for voluntary multinational efforts in conflict resolution, including support for international missions in response to emerging crises. These funds promote involvement of regional organizations and help leverage support for multinational efforts where no formal cost-sharing mechanisms exist.

The PKO request provides \$24 million for *Afghanistan* as the U.S. contribution to a global effort to develop institutional support and nascent organizations for the Afghan National Army (ANA). PKO funds support salaries and training for ANA soldiers, including training 3,700 additional soldiers.

The request also includes \$45 million for *Africa Regional Peacekeeping Operations*. PKO funding is critical to our efforts to help end destructive conflicts in Liberia, Sudan, Burundi, the Democratic Republic of Congo (DRC) and Cote d'Ivoire. Funds will also support programs to enhance African capabilities to respond to regional crises, especially in conjunction with the Economic Community of West African States (ECOWAS).

FY 2005 PKO funds provide \$15 million to the *African Contingency Operations Training and Assistance (ACOTA)* program. Built on the achievements of its predecessor, the African Crisis Response Initiative, ACOTA trains and equips selected African militaries to carry out peace support and humanitarian relief operations. At the same time, it will provide the basis for lethal peace enforcement training. Funds will sustain programs in Ghana, Senegal, Botswana, Ethiopia, Kenya and South Africa and will add additional countries to the peacekeeping coalition.

The request includes \$16.5 million to fund the U.S. contribution to the *Multinational Force and Observers (MFO)* in the Sinai.

\$2.5 million will support voluntary contributions to high priority peacekeeping-related activities of the *Organization for Security and Cooperation in Europe (OSCE)*. Additional funding for OSCE activities for FY 2005 has been requested under the SEED and FSA accounts to better align current OSCE activities with the appropriate source of funds.

\$1 million will support activities aimed at maintaining the momentum of the peace initiative in *Sri Lanka*.

IV. Multilateral Economic Assistance

(\$ in thousands)	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
International Financial Institutions			
Global Environment Facility	146,852	138,418	120,678
International Development Association	844,475	907,812	1,061,310
Multilateral Investment Guarantee Agency	1,620	1,117	-
Asian Development Fund	97,250	143,569	112,212
African Development Fund	107,371	112,060	118,000
African Development Bank	5,071	5,075	5,100
European Bank for Reconstruction and Development	35,572	35,222	35,431
Inter-American Development Bank - Multilateral Investment Fund	24,431	24,853	25,000
Inter-American Investment Corporation	18,233	-	-
International Fund for Agricultural Development	14,906	14,916	15,000
Arrears	[65,403]	[97,457]	[58,700]
Total, International Financial Institutions	1,295,781	1,383,042	1,492,731
International Organizations and Programs	168,881	319,752	304,450
Total, Multilateral Economic Assistance	1,464,662	1,702,794	1,797,181

International Financial Institutions (IFIs)

International Financial Institutions (IFIs) lend to and invest in developing and transition economies and private sector enterprises in countries where risks are too high for private financing alone and where leverage is needed to encourage private financing. Bank policies and lending programs reflect U.S. priorities in promoting growth, increasing productivity, and reducing poverty in developing countries.

- The FY 2005 request includes \$1.493 billion for scheduled annual U.S. commitments to the International Financial Institutions. The scheduled International Development Association (IDA) request of \$1.06 billion, the third and final under the IDA-13 replenishment, includes a \$200 million incentive contribution contingent on IDA meeting certain performance targets during 2004.
- \$118 million and \$112 million are requested for the final scheduled payments for current replenishments for the African Development Fund (AfDF) and Asian Development Fund (AsDF), respectively.
- The scheduled request for the Global Environment Facility (GEF) of \$121 million is for the third of four payments under the current replenishment, with \$70 million of the final FY 2006 scheduled payment on GEF meeting specified performance targets.
- The request also includes \$58.7 million to clear a portion of outstanding U.S. arrears to IFIs, which currently total \$472.7 million.

International Organizations and Programs (IO&P)

The FY 2005 request of \$304.5 million for International Organizations and Programs (IO&P) is intended to advance U.S. strategic goals by addressing challenges that require international consultation and coordination.

The FY 2005 request of \$120 million for the UN Children's Fund (UNICEF) will provide goods and services directly to the world's neediest children, and contributes to the development of local capacity to help meet basic needs. Its development work complements USAID's Child Survival programs and the Center for Disease Control and Prevention's polio eradication program, and is closely coordinated with those U.S. agencies.

The FY 2005 request also calls for \$90 million for the United Nations Development Program (UNDP), the primary development agency in the UN system. UNDP focuses on poverty alleviation, democracy, environment and sustainable development, crisis prevention, and HIV/AIDS. Increasing demands are being made on UNDP to play a more forceful role in post-conflict situations, in areas such as Afghanistan and East Timor.

More than \$43 million of the FY 2005 request will support environmental programs, including \$21.5 million for the Montreal Protocol, which aims to combat ozone depletion.

The request provides for the funding of one new program, \$100,000 for the International Maritime Organization (IMO) for a maritime security initiative. A U.S. voluntary contribution would support IMO technical assistance to countries to help them meet new port security standards.

The request seeks \$500,000 in support of International Contributions for Scientific, Educational, and Cultural Activities (ICSECA). Consistent with the recent US return to UNESCO, such funding would support U.S. efforts to use UNESCO to achieve priority U.S. goals. Many other member countries make substantial voluntary contributions in addition to their assessed contributions.